
1 December 2009

Window opens for softer phosphate fertiliser prices

As signalled in its latest newsletter to its 18,500 farmer/shareholders, Ballance Agri-Nutrients has seized on a window of opportunity to drop its manufactured phosphate product prices across New Zealand.

Movement in international phosphate rock prices has enabled New Zealand fertiliser co-operative to pass on savings to farmers in the form of a reduction in its key superphosphate prices.

The price of superten has been reduced by \$78 a tonne, or 20%, to \$310. Other price movements include Serpentine Super (down \$82 to \$285/t, or 22.3%) and sulphur gain (down \$83 to \$303/t, or 21.5%).

'While raw materials such as phosphate rock have recently decreased in value, other products such as DAP are on the rise again, says Ballance Chief Executive Larry Bilodeau

'Farmers should make the most of the window of opportunity created by lower international phosphate rock prices, as we are unsure how long it will last.'

Mr Bilodeau says that the international fertiliser market is now demonstrating similar behavioural patterns to last year, when prices rose spectacularly. However, he did not expect any price jumps to be as drastic this time round.

'We hope this move to lower superphosphate prices will prove to be sustainable, but it has become a very difficult international market to predict, he cautions.

'Looking further out, there are signs of a general upwards price movement for fertiliser products internationally, so it is too early to tell where the market will settle. The reality is that phosphate rock still costs double what it did little more than three years ago.'

He said the recent decline in nutrient use in most markets couldn't continue indefinitely without potential consequences for the global food supply.

'This is why I believe the fundamentals are still strong for farming, and New Zealand's role is vital.'

Ballance Chairman David Graham says with fertiliser becoming more affordable again he believes the scales will tip towards the emphasis being on making the correct agronomic decision, as opposed to acting based on fertiliser price alone.

This is a timely price drop, he says, because many farmers who had cut back on their fertiliser applications over the past 18 months for economic reasons were starting to see a decline in pasture cover going into summer.

MEDIA RELEASE

For immediate use



'While it was possible to reduce expenditure by eliminating the fertiliser spend – and in tough times that's understandable – some farmers are now starting to see the consequences of this in terms of poorer pastures and lower production.

'We anticipate that this drop in plant nutrient prices will assist farmers to act in the best interests of their farm once again.'

ENDS